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January 3, 2005

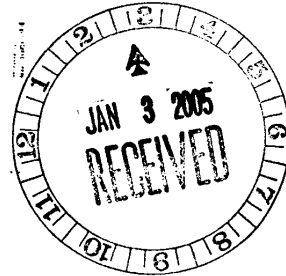
**BY HAND DELIVERY**

The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, DC 20423-0001

ENTERED  
Office of Proceedings

JAN - 3 2005

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Public Record



Re: Second Status Report Under Decision No. 12

*Kansas City Southern - Control - The Kansas City Southern Railway  
Company, Gateway Eastern Railway Company, And The Texas Mexican  
Railway Company; Finance Docket No. 34342*

Dear Secretary Williams:

In keeping with the Surface Transportation Board's decision served herein on November 29, 2004 ("Decision No. 12"), Kansas City Southern ("KCS") files this Second Status Report. Decision No. 12 required KCS to file "a status report detailing new developments (if any) in its efforts to acquire control of TFM on the first business day of January 2005, and then, as events warrant, but in no case later than the first business day of every third month thereafter."

On December 14, 2004, KCS filed its first status report announcing that the boards of directors of KCS and Grupo TMM, S.A. ("TMM") had authorized and executed an amendment to the agreement announced on April 21, 2003 for KCS to acquire control of TFM, S.A. de C.V. There have been no new developments since the filing of the first status report other than the fact that both TMM and KCS did file notices with the Federal Trade Commission and the Department of Justice under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Sincerely,

A handwritten signature in black ink, appearing to read 'William A. Mullins'.

William A. Mullins

cc: Parties of Record